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November 6, 2007

Darrell L. Saunders
700 Master Street
P. O. Box 1324
Corbin, KY 40702

Re: Case No. 2007-00374

Dear Mr. Saunders:

This letter is written in response to your e-mail of November 2, 2007 to Quang Nguyen regarding the inclusion of certain documents in the above-referenced case file.

On October 29, 2007, the PSC's Division of Consumer Services received a package of documents relating to the sale of assets by the Monticello Electric Plant Board to South Kentucky RECC. There was no cover letter, but based on the documents, they appear to have come from MEPAK.

The documents were routed to the Legal Division for review. Due to their substantive nature, they were filed in the case file to avoid potential claims that staff had received information on an ex parte basis.

Staff's concern about the legality of the city's sale relates to South Kentucky RECC's request for approval to finance the transfer. PSC approval under KRS 278.300 cannot be granted unless the financing is for a lawful purpose, which necessitates a determination that the transaction is in accordance with the law.

Sincerely yours,



Beth O'Donnell
Executive Director